

FIRST REGULAR SESSION

# SENATE BILL NO. 386

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RICHARD.

Read 1st time March 1, 2011, and ordered printed.

TERRY L. SPIELER, Secretary.

1784S.011

## AN ACT

To repeal sections 301.140 and 301.560, RSMo, and to enact in lieu thereof two new sections relating to the registration of motor vehicles.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 301.140 and 301.560, RSMo, are repealed and two  
2 new sections enacted in lieu thereof, to be known as sections 301.140 and  
3 301.560, to read as follows:

301.140. 1. Upon the transfer of ownership of any motor vehicle or trailer,  
2 the certificate of registration and the right to use the number plates shall expire  
3 and the number plates shall be removed by the owner at the time of the transfer  
4 of possession, and it shall be unlawful for any person other than the person to  
5 whom such number plates were originally issued to have the same in his or her  
6 possession whether in use or not, unless such possession is solely for charitable  
7 purposes; except that the buyer of a motor vehicle or trailer who trades in a motor  
8 vehicle or trailer may attach the license plates from the traded-in motor vehicle  
9 or trailer to the newly purchased motor vehicle or trailer. The operation of a  
10 motor vehicle with such transferred plates shall be lawful for no more than thirty  
11 days. As used in this subsection, the term "trade-in motor vehicle or trailer" shall  
12 include any single motor vehicle or trailer sold by the buyer of the newly  
13 purchased vehicle or trailer, as long as the license plates for the trade-in motor  
14 vehicle or trailer are still valid.

15 2. In the case of a transfer of ownership the original owner may register  
16 another motor vehicle under the same number, upon the payment of a fee of two  
17 dollars, if the motor vehicle is of horsepower, gross weight or (in the case of a  
18 passenger-carrying commercial motor vehicle) seating capacity, not in excess of

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

19 that originally registered. When such motor vehicle is of greater horsepower,  
20 gross weight or (in the case of a passenger-carrying commercial motor vehicle)  
21 seating capacity, for which a greater fee is prescribed, applicant shall pay a  
22 transfer fee of two dollars and a pro rata portion for the difference in fees. When  
23 such vehicle is of less horsepower, gross weight or (in case of a passenger-carrying  
24 commercial motor vehicle) seating capacity, for which a lesser fee is prescribed,  
25 applicant shall not be entitled to a refund.

26           3. License plates may be transferred from a motor vehicle which will no  
27 longer be operated to a newly purchased motor vehicle by the owner of such  
28 vehicles. The owner shall pay a transfer fee of two dollars if the newly purchased  
29 vehicle is of horsepower, gross weight or (in the case of a passenger-carrying  
30 commercial motor vehicle) seating capacity, not in excess of that of the vehicle  
31 which will no longer be operated. When the newly purchased motor vehicle is of  
32 greater horsepower, gross weight or (in the case of a passenger-carrying  
33 commercial motor vehicle) seating capacity, for which a greater fee is prescribed,  
34 the applicant shall pay a transfer fee of two dollars and a pro rata portion of the  
35 difference in fees. When the newly purchased vehicle is of less horsepower, gross  
36 weight or (in the case of a passenger-carrying commercial motor vehicle) seating  
37 capacity, for which a lesser fee is prescribed, the applicant shall not be entitled  
38 to a refund.

39           4. Upon the sale of a motor vehicle or trailer by a dealer, a buyer who has  
40 made application for registration, by mail or otherwise, may operate the same for  
41 a period of thirty days after taking possession thereof, if during such period the  
42 motor vehicle or trailer shall have attached thereto, in the manner required by  
43 section 301.130, number plates issued to the dealer. Upon application and  
44 presentation of proof of financial responsibility as required under subsection 5 of  
45 this section and satisfactory evidence that the buyer has applied for registration,  
46 a dealer may furnish such number plates to the buyer for such temporary use. In  
47 such event, the dealer shall require the buyer to deposit the sum of ten dollars  
48 and fifty cents to be returned to the buyer upon return of the number plates as  
49 a guarantee that said buyer will return to the dealer such number plates within  
50 thirty days. The director shall issue a temporary permit authorizing the  
51 operation of a motor vehicle or trailer by a buyer for not more than thirty days  
52 of the date of purchase.

53           5. The temporary permit shall be made available by the director of  
54 revenue and may be purchased from the department of revenue upon proof of

55 purchase of a motor vehicle or trailer for which the buyer has no registration  
56 plate available for transfer and upon proof of financial responsibility, or from a  
57 dealer upon purchase of a motor vehicle or trailer for which the buyer has no  
58 registration plate available for transfer. The director shall make temporary  
59 permits available to registered dealers in this state or authorized agents of the  
60 department of revenue in sets of ten permits. The fee for the temporary permit  
61 shall be [seven] **nine** dollars and fifty cents for each permit or plate issued. No  
62 dealer or authorized agent shall charge more than [seven] **nine** dollars and fifty  
63 cents for each permit issued. The permit shall be valid for a period of thirty days  
64 from the date of purchase of a motor vehicle or trailer, or from the date of sale of  
65 the motor vehicle or trailer by a dealer for which the purchaser obtains a permit  
66 as set out above. No permit shall be issued for a vehicle under this section unless  
67 the buyer shows proof of financial responsibility.

68         6. The permit shall be issued on a form prescribed by the director and  
69 issued only for the applicant's use in the operation of the motor vehicle or trailer  
70 purchased to enable the applicant to legally operate the vehicle while proper title  
71 and registration plate are being obtained, and shall be displayed on no other  
72 vehicle. Temporary permits issued pursuant to this section shall not be  
73 transferable or renewable and shall not be valid upon issuance of proper  
74 registration plates for the motor vehicle or trailer. The director shall determine  
75 the size and numbering configuration, construction, and color of the permit.

76         7. The dealer or authorized agent shall insert the date of issuance and  
77 expiration date, year, make, and manufacturer's number of vehicle on the permit  
78 when issued to the buyer. The dealer shall also insert such dealer's number on  
79 the permit. Every dealer that issues a temporary permit shall keep, for  
80 inspection of proper officers, a correct record of each permit issued by recording  
81 the permit or plate number, buyer's name and address, year, make,  
82 manufacturer's vehicle identification number on which the permit is to be used,  
83 and the date of issuance.

84         8. Upon the transfer of ownership of any currently registered motor  
85 vehicle wherein the owner cannot transfer the license plates due to a change of  
86 vehicle category, the owner may surrender the license plates issued to the motor  
87 vehicle and receive credit for any unused portion of the original registration fee  
88 against the registration fee of another motor vehicle. Such credit shall be granted  
89 based upon the date the license plates are surrendered. No refunds shall be  
90 made on the unused portion of any license plates surrendered for such credit.

301.560. 1. In addition to the application forms prescribed by the  
2 department, each applicant shall submit the following to the department:

3 (1) Every application other than a renewal application for a motor vehicle  
4 franchise dealer shall include a certification that the applicant has a bona fide  
5 established place of business. Such application shall include an annual  
6 certification that the applicant has a bona fide established place of business for  
7 the first three years and only for every other year thereafter. The certification  
8 shall be performed by a uniformed member of the Missouri state highway patrol  
9 or authorized or designated employee stationed in the troop area in which the  
10 applicant's place of business is located; except that in counties of the first  
11 classification, certification may be performed by an officer of a metropolitan police  
12 department when the applicant's established place of business of distributing or  
13 selling motor vehicles or trailers is in the metropolitan area where the certifying  
14 metropolitan police officer is employed. When the application is being made for  
15 licensure as a boat manufacturer or boat dealer, certification shall be performed  
16 by a uniformed member of the Missouri state water patrol stationed in the  
17 district area in which the applicant's place of business is located or by a  
18 uniformed member of the Missouri state highway patrol stationed in the troop  
19 area in which the applicant's place of business is located or, if the applicant's  
20 place of business is located within the jurisdiction of a metropolitan police  
21 department in a first class county, by an officer of such metropolitan police  
22 department. A bona fide established place of business for any new motor vehicle  
23 franchise dealer, used motor vehicle dealer, boat dealer, powersport dealer,  
24 wholesale motor vehicle dealer, trailer dealer, or wholesale or public auction shall  
25 be a permanent enclosed building or structure, either owned in fee or leased and  
26 actually occupied as a place of business by the applicant for the selling, bartering,  
27 trading, servicing, or exchanging of motor vehicles, boats, personal watercraft, or  
28 trailers and wherein the public may contact the owner or operator at any  
29 reasonable time, and wherein shall be kept and maintained the books, records,  
30 files and other matters required and necessary to conduct the business. The  
31 applicant's place of business shall contain a working telephone which shall be  
32 maintained during the entire registration year. In order to qualify as a bona fide  
33 established place of business for all applicants licensed pursuant to this section  
34 there shall be an exterior sign displayed carrying the name of the business set  
35 forth in letters at least six inches in height and clearly visible to the public and  
36 there shall be an area or lot which shall not be a public street on which multiple

37 vehicles, boats, personal watercraft, or trailers may be displayed. The sign shall  
38 contain the name of the dealership by which it is known to the public through  
39 advertising or otherwise, which need not be identical to the name appearing on  
40 the dealership's license so long as such name is registered as a fictitious name  
41 with the secretary of state, has been approved by its line-make manufacturer in  
42 writing in the case of a new motor vehicle franchise dealer and a copy of such  
43 fictitious name registration has been provided to the department. Dealers who  
44 sell only emergency vehicles as defined in section 301.550 are exempt from  
45 maintaining a bona fide place of business, including the related law enforcement  
46 certification requirements, and from meeting the minimum yearly sales;

47 (2) The initial application for licensure shall include a photograph, not to  
48 exceed eight inches by ten inches but no less than five inches by seven inches,  
49 showing the business building, lot, and sign. A new motor vehicle franchise  
50 dealer applicant who has purchased a currently licensed new motor vehicle  
51 franchised dealership shall be allowed to submit a photograph of the existing  
52 dealership building, lot and sign but shall be required to submit a new  
53 photograph upon the installation of the new dealership sign as required by  
54 sections 301.550 to 301.573. Applicants shall not be required to submit a  
55 photograph annually unless the business has moved from its previously licensed  
56 location, or unless the name of the business or address has changed, or unless the  
57 class of business has changed;

58 (3) Every applicant as a new motor vehicle franchise dealer, a used motor  
59 vehicle dealer, a powersport dealer, a wholesale motor vehicle dealer, trailer  
60 dealer, or boat dealer shall furnish with the application a corporate surety bond  
61 or an irrevocable letter of credit as defined in section 400.5-103, issued by any  
62 state or federal financial institution in the penal sum of twenty-five thousand  
63 dollars on a form approved by the department. The bond or irrevocable letter of  
64 credit shall be conditioned upon the dealer complying with the provisions of the  
65 statutes applicable to new motor vehicle franchise dealers, used motor vehicle  
66 dealers, powersport dealers, wholesale motor vehicle dealers, trailer dealers, and  
67 boat dealers, and the bond shall be an indemnity for any loss sustained by reason  
68 of the acts of the person bonded when such acts constitute grounds for the  
69 suspension or revocation of the dealer's license. The bond shall be executed in  
70 the name of the state of Missouri for the benefit of all aggrieved parties or the  
71 irrevocable letter of credit shall name the state of Missouri as the beneficiary;  
72 except, that the aggregate liability of the surety or financial institution to the

73 aggrieved parties shall, in no event, exceed the amount of the bond or irrevocable  
74 letter of credit. The proceeds of the bond or irrevocable letter of credit shall be  
75 paid upon receipt by the department of a final judgment from a Missouri court of  
76 competent jurisdiction against the principal and in favor of an aggrieved  
77 party. Additionally, every applicant as a new motor vehicle franchise dealer, a  
78 used motor vehicle dealer, a powersport dealer, a wholesale motor vehicle dealer,  
79 or boat dealer shall furnish with the application a copy of a current dealer garage  
80 policy bearing the policy number and name of the insurer and the insured;

81 (4) Payment of all necessary license fees as established by the  
82 department. In establishing the amount of the annual license fees, the  
83 department shall, as near as possible, produce sufficient total income to offset  
84 operational expenses of the department relating to the administration of sections  
85 301.550 to 301.573. All fees payable pursuant to the provisions of sections  
86 301.550 to 301.573[, other than those fees collected for the issuance of dealer  
87 plates or certificates of number collected pursuant to subsection 6 of this section,]  
88 shall be collected by the department for deposit in the state treasury to the credit  
89 of the "Motor Vehicle Commission Fund", which is hereby created. The motor  
90 vehicle commission fund shall be administered by the Missouri department of  
91 revenue. The provisions of section 33.080 to the contrary notwithstanding, money  
92 in such fund shall not be transferred and placed to the credit of the general  
93 revenue fund until the amount in the motor vehicle commission fund at the end  
94 of the biennium exceeds two times the amount of the appropriation from such  
95 fund for the preceding fiscal year or, if the department requires permit renewal  
96 less frequently than yearly, then three times the appropriation from such fund  
97 for the preceding fiscal year. The amount, if any, in the fund which shall lapse  
98 is that amount in the fund which exceeds the multiple of the appropriation from  
99 such fund for the preceding fiscal year.

100 2. In the event a new vehicle manufacturer, boat manufacturer, motor  
101 vehicle dealer, wholesale motor vehicle dealer, boat dealer, powersport dealer,  
102 wholesale motor vehicle auction, trailer dealer, or a public motor vehicle auction  
103 submits an application for a license for a new business and the applicant has  
104 complied with all the provisions of this section, the department shall make a  
105 decision to grant or deny the license to the applicant within eight working hours  
106 after receipt of the dealer's application, notwithstanding any rule of the  
107 department.

108 3. Upon the initial issuance of a license by the department, the

109 department shall assign a distinctive dealer license number or certificate of  
 110 number to the applicant and the department shall issue one number plate or  
 111 certificate bearing the distinctive dealer license number or certificate of number  
 112 and two additional number plates or certificates of number within eight working  
 113 hours after presentment of the application. Upon renewal, the department shall  
 114 issue the distinctive dealer license number or certificate of number as quickly as  
 115 possible. The issuance of such distinctive dealer license number or certificate of  
 116 number shall be in lieu of registering each motor vehicle, trailer, vessel or vessel  
 117 trailer dealt with by a boat dealer, boat manufacturer, manufacturer, public  
 118 motor vehicle auction, wholesale motor vehicle dealer, wholesale motor vehicle  
 119 auction or new or used motor vehicle dealer.

120 4. Notwithstanding any other provision of the law to the contrary, the  
 121 department shall assign the following distinctive dealer license numbers to:

- 122 New motor vehicle franchise
- 123 dealers . . . . . D-0 through D-999
- 124 New powersport dealers and
- 125 motorcycle franchise
- 126 dealers . . . . . D-1000 through D-1999
- 127 Used motor vehicle, used
- 128 powersport, and used
- 129 motorcycle dealers . . . . . D-2000 through D-9999
- 130 Wholesale motor vehicle
- 131 dealers . . . . . W-0 through W-1999
- 132 Wholesale motor vehicle
- 133 auctions . . . . . WA-0 through WA-999
- 134 New and used trailer
- 135 dealers . . . . . T-0 through T-9999
- 136 Motor vehicle, trailer, and boat
- 137 manufacturers . . . . . DM-0 through DM-999
- 138 Public motor vehicle
- 139 auctions . . . . . A-0 through A-1999
- 140 Boat dealers . . . . . M-0 through M-9999
- 141 New and used recreational motor vehicle
- 142 dealers . . . . . RV-0 through RV-999
- 143 For purposes of this subsection, qualified transactions shall include the purchase
- 144 of salvage titled vehicles by a licensed salvage dealer. A used motor vehicle

145 dealer who also holds a salvage dealer's license shall be allowed one additional  
146 plate or certificate number per fifty-unit qualified transactions annually. In order  
147 for salvage dealers to obtain number plates or certificates under this section,  
148 dealers shall submit to the department of revenue on August first of each year a  
149 statement certifying, under penalty of perjury, the dealer's number of purchases  
150 during the reporting period of July first of the immediately preceding year to  
151 June thirtieth of the present year. The provisions of this subsection shall become  
152 effective on the date the director of the department of revenue begins to reissue  
153 new license plates under section 301.130, or on December 1, 2008, whichever  
154 occurs first. If the director of revenue begins reissuing new license plates under  
155 the authority granted under section 301.130 prior to December 1, 2008, the  
156 director of the department of revenue shall notify the revisor of statutes of such  
157 fact.

158           5. Upon the sale of a currently licensed new motor vehicle franchise  
159 dealership the department shall, upon request, authorize the new approved dealer  
160 applicant to retain the selling dealer's license number and shall cause the new  
161 dealer's records to indicate such transfer.

162           6. In the case of new motor vehicle manufacturers, motor vehicle dealers,  
163 powersport dealers, recreational motor vehicle dealers, and trailer dealers, the  
164 department shall issue one number plate bearing the distinctive dealer license  
165 number and may issue two additional number plates to the applicant upon  
166 payment by the manufacturer or dealer of a fifty dollar fee for the number plate  
167 bearing the distinctive dealer license number and ten dollars and fifty cents for  
168 each additional number plate. Such license plates shall be made with fully  
169 reflective material with a common color scheme and design, shall be clearly  
170 visible at night, and shall be aesthetically attractive, as prescribed by section  
171 301.130. Boat dealers and boat manufacturers shall be entitled to one certificate  
172 of number bearing such number upon the payment of a fifty dollar fee. Additional  
173 number plates and as many additional certificates of number may be obtained  
174 upon payment of a fee of ten dollars and fifty cents for each additional plate or  
175 certificate. New motor vehicle manufacturers shall not be issued or possess more  
176 than three hundred forty-seven additional number plates or certificates of number  
177 annually. New and used motor vehicle dealers, powersport dealers, wholesale  
178 motor vehicle dealers, boat dealers, and trailer dealers are limited to one  
179 additional plate or certificate of number per ten-unit qualified transactions  
180 annually. New and used recreational motor vehicle dealers are limited to two

181 additional plates or certificate of number per ten-unit qualified transactions  
182 annually for their first fifty transactions and one additional plate or certificate  
183 of number per ten-unit qualified transactions thereafter. An applicant seeking  
184 the issuance of an initial license shall indicate on his or her initial application  
185 the applicant's proposed annual number of sales in order for the director to issue  
186 the appropriate number of additional plates or certificates of number. A motor  
187 vehicle dealer, trailer dealer, boat dealer, powersport dealer, recreational motor  
188 vehicle dealer, motor vehicle manufacturer, boat manufacturer, or wholesale  
189 motor vehicle dealer obtaining a distinctive dealer license plate or certificate of  
190 number or additional license plate or additional certificate of number, throughout  
191 the calendar year, shall be required to pay a fee for such license plates or  
192 certificates of number computed on the basis of one-twelfth of the full fee  
193 prescribed for the original and duplicate number plates or certificates of number  
194 for such dealers' licenses, multiplied by the number of months remaining in the  
195 licensing period for which the dealer or manufacturers shall be required to be  
196 licensed. In the event of a renewing dealer, the fee due at the time of renewal  
197 shall not be prorated. Wholesale and public auctions shall be issued a certificate  
198 of dealer registration in lieu of a dealer number plate. In order for dealers to  
199 obtain number plates or certificates under this section, dealers shall submit to  
200 the department of revenue on August first of each year a statement certifying,  
201 under penalty of perjury, the dealer's number of sales during the reporting period  
202 of July first of the immediately preceding year to June thirtieth of the present  
203 year.

204         7. The plates issued pursuant to subsection 3 or 6 of this section may be  
205 displayed on any motor vehicle owned by a new motor vehicle manufacturer. The  
206 plates issued pursuant to subsection 3 or 6 of this section may be displayed on  
207 any motor vehicle or trailer owned and held for resale by a motor vehicle dealer  
208 for use by a customer who is test driving the motor vehicle, for use and display  
209 purposes during, but not limited to, parades, private events, charitable events,  
210 or for use by an employee or officer, but shall not be displayed on any motor  
211 vehicle or trailer hired or loaned to others or upon any regularly used service or  
212 wrecker vehicle. Motor vehicle dealers may display their dealer plates on a  
213 tractor, truck or trailer to demonstrate a vehicle under a loaded  
214 condition. Trailer dealers may display their dealer license plates in like manner,  
215 except such plates may only be displayed on trailers owned and held for resale  
216 by the trailer dealer.

217           8. The certificates of number issued pursuant to subsection 3 or 6 of this  
218 section may be displayed on any vessel or vessel trailer owned and held for resale  
219 by a boat manufacturer or a boat dealer, and used by a customer who is test  
220 driving the vessel or vessel trailer, or is used by an employee or officer on a vessel  
221 or vessel trailer only, but shall not be displayed on any motor vehicle owned by  
222 a boat manufacturer, boat dealer, or trailer dealer, or vessel or vessel trailer  
223 hired or loaned to others or upon any regularly used service vessel or vessel  
224 trailer. Boat dealers and boat manufacturers may display their certificate of  
225 number on a vessel or vessel trailer when transporting a vessel or vessels to an  
226 exhibit or show.

227           9. (1) Every application for the issuance of a used motor vehicle dealer's  
228 license shall be accompanied by proof that the applicant, within the last twelve  
229 months, has completed an educational seminar course approved by the  
230 department as prescribed by subdivision (2) of this subsection. Wholesale and  
231 public auto auctions and applicants currently holding a new or used license for  
232 a separate dealership shall be exempt from the requirements of this  
233 subsection. The provisions of this subsection shall not apply to current new  
234 motor vehicle franchise dealers or motor vehicle leasing agencies or applicants for  
235 a new motor vehicle franchise or a motor vehicle leasing agency. The provisions  
236 of this subsection shall not apply to used motor vehicle dealers who were licensed  
237 prior to August 28, 2006.

238           (2) The educational seminar shall include, but is not limited to, the dealer  
239 requirements of sections 301.550 to 301.573, the rules promulgated to implement,  
240 enforce, and administer sections 301.550 to 301.570, and any other rules and  
241 regulations promulgated by the department.

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